

November 18, 2013

## **JAPAN REAL ESTATE INVESTMENT CORPORATION ANNOUNCEMENT OF TWENTYFOURTH FISCAL PERIOD RESULTS**

### **1. Summary of Financial Results**

In the 24th fiscal period (six months ended September 30, 2013), Japan Real Estate Investment Corporation (“JRE”) recorded operating revenues totaling 26,225 million yen, up 3.4% compared with the previous period. On the earnings front, operating income increased 1.4% to 10,781 million yen. After deducting expenses for interest payments on loans and other costs, ordinary income rose 4.5% to 9,143 million yen and net income grew 3.5% to 9,129 million yen.

Turning to dividends, JRE will make cash distributions using accounting profits based on the dividend policy outlined in Article 32-2 of JRE’s Articles of Incorporation, in an amount that exceeds 90% of earnings available for dividends as required by Article 67-15 of the Special Taxation Measures Law of Japan. Based on this policy, JRE was able to maintain retained earnings as the amount did not exceed earnings available for distribution at the end of the period. Therefore, the total amount of dividends that JRE has determined to pay out is 9,129,555,240 yen for the period under review, which must be divisible by 594,140—the number of units outstanding as of September, 2013. Accordingly, the per-unit cash dividend totaled 15,366 yen.

### **2. Results of Operations**

#### **(1) Property Management and Acquisition**

During the period under review, in the Japanese economy, due to improving stock prices as a result of Abenomics and the subsequent increase in consumer confidence, spending is gradually recovering and, with the correction in the overvaluation of the yen, the environment for business operations is looking brighter as evidenced by the increase in capital investment.

In the market for leased office space, while supply and demand conditions for office buildings in Tokyo are steadily improving and the rental market has partially rebounded, corporations continue to be cost cautious about rent, placing gradual downward pressure on overall market rent levels. In regional business areas, although there were signs that occupancy rates as a whole were gradually improving despite some regional variation, high vacancy rates coupled with persistently low rent levels prevailed amid stagnant demand for office space.

In the property market, buying remained aggressive amid an opportune fund-raising environment. With only a limited number of properties available for investment in the market for leased office space, prices are gradually increasing.

Reflecting the circumstances, JRE focused on leasing activities that take into account market trends. Due to high tenant turnover, however, JRE’s occupancy rate edged down from 96.7% as of March 31, 2013 to 96.3% as of September 30, 2013. In addition, rent levels continued to feel downward pressure and property-related revenues, excluding those from newly operating properties, declined further compared with the previous period.

At the same time, JRE strives to further strengthen its portfolio through external growth and to raise minimum revenues and earnings, and so in the period under review, JRE acquired Nagoya Hirokoji Place (Nagoya City) on July 31, 2013 and Shijo Karasuma Center Building (Kyoto City) on September 3, 2013 for 8,567 million yen and 4,400 million yen respectively. JRE also transferred ownership (building only) of the Nippon Brunswick Building (Shibuya-ku, Tokyo) on August 23,

2013 for 1,220 million yen.

As a result of the above, JRE's portfolio at the end of the fiscal period under review, September 30, 2013, consisted of 62 properties (office buildings) with a total acquisition price of 794,230 million yen. Total leasable space stood at 713,180 m<sup>2</sup>, with a total of 1,146 tenants.

\*Note: The Nippon Brunswick Building (Land with leasehold interest), whose building ownership was transferred on August 23, 2013, is included in the above number of properties and total acquisition price, but is not included in total leasable space or total number of tenants.

## (2) Finance Activities

Striving to improve the ratio of long-term loans and investment corporation bonds to other interest-bearing debt, JRE issued Japan Real Estate Investment Corporation Ninth Unsecured Bonds with the amount totaling 10,000 million yen on August 30, 2013.

### ■ Overview of the ninth issuance of investment corporation bonds

Name of the Investment Corporation Bond	Japan Real Estate Investment Corporation Ninth Unsecured Bond (No special financial covenants, such as a negative pledge clause)
Total Amount of the Bond Issue	10,000 million yen
Date of the Bond Issue	August 30, 2013
Date of Maturity	August 30, 2018
Interest Rate	0.497 % per annum

Using the cash on hand made available from the Japan Real Estate Investment Corporation Ninth Unsecured Bonds, JRE repaid long-term loans totaling 3,000 million yen as agreed on September 2, 2013 and repaid short-term loans totaling 4,000 million yen ahead of schedule on September 9, 2013. JRE allotted the remaining amount to the funds used to acquire Shijo Karasuma Center Building on September 3, 2013.

Preceding this, to fund the repayment of existing loans, JRE procured short-term loans totaling 5,000 million yen on September 2, 2013; as well as long-term loans amounting to 13,000 million yen on April 24, 2013.

Moreover, JRE procured 6,000 million yen in short-term loans on July 31, 2013 to partially fund the acquisition of Nagoya Hirokoji Place.

As a result of these financing activities, as of September 30, 2013, JRE's total interest-bearing debt amounted to 320,150 million yen. This amount consists of long-term loans totaling 240,150 million yen (including the current portion of long-term loans totaling 13,100 million yen), short-term loans totaling 25,000 million yen, and investment corporation bonds totaling 55,000 million yen (including the current portion of investment corporation bonds totaling 15,000 million yen).

As of September 30, 2013, JRE's long-term, fixed-interest bearing debt ratio (ratio of long-term, fixed-interest bearing debt (including the current portion of long-term loans and investment corporation bonds) to total interest-bearing debt) stood at 92.2%, and the LTV ratio (ratio of interest-bearing debt to total assets) was 41.3%. As these figures indicate, JRE has been able to maintain a sound and conservative financial standing.

JRE's credit ratings as of September 30, 2013 were as follows:

Rating Agency	Credit Rating
Standard & Poor's Ratings Japan K.K.	Long-term: A+; Short-term: A-1; Outlook: Stable
Moody's Japan K.K.	Rating: A1; Outlook: Negative
Rating and Investment Information, Inc.	Rating: AA; Outlook: Stable

### 3. Outlook

#### (1) Operating Environment

Forecasts call for the Japanese economy to gradually recover on the back of Tokyo's selection to host the 2020 Olympics and as effects begin to appear from various policies, including the 5 trillion yen economic stimulus that will accompany the consumption tax hike. Despite the risk that overseas economic slowdown could cause the Japanese economy to slip, individuals and corporations have regained confidence, and Japan is expected to head toward real recovery.

In the market for leased office space, vacancy rates are moving gradually downward and, with office space in short supply, rates are projected to continue to show further improvement. Although rent levels are rebounding in an increasing number of areas, especially properties located in central Tokyo with a competitive edge, such as new buildings, additional time is expected to be required before the market as a whole, including existing buildings, benefits from a real recovery.

Regarding property markets, JRE believes that prices for the type of prime properties JRE targets for acquisition look firmly poised to rise and that, with time, acquisition will only become more difficult. In order to continue steadily acquiring prime properties, JRE considers it important to maintain a framework that allows it to undertake the acquisition of properties based on agile and accurate decision making. This approach is achieved by conducting detailed analyses of leasing markets while acquiring sales information through a variety of property information channels.

#### a. Property Management

As stated above, conditions in the market for leased office space include the fall in overall market rent levels having almost, but not yet completely, bottomed out with some building owners looking to raise rent levels while others continue to feel pressure to keep levels low. In line with these expectations, JRE will adhere to the following management policies in order to keep improving profitability.

##### (i) Strengthen relationships of trust with existing tenants

As of September 30, 2013, JRE had contracts with 11 property management companies. Most of these companies were already handling the management of their buildings before JRE acquired them and had thus built relationships of trust with their tenants. JRE will work to further strengthen these relationships by anticipating tenants' needs and providing tailored services to increase tenant satisfaction, thereby maintaining occupancy rates and disincentivizing rent reduction requests.

##### (ii) Fill vacancies promptly

In cooperation with the property management companies mentioned above, JRE will actively seek the most appropriate tenants for each property, based on location and features, in order to fill current and anticipated vacancies as rapidly as possible. Furthermore, JRE will work to uncover additional needs for floor space among existing tenants.

##### (iii) Stabilize revenues and earnings

With the aim of stabilizing revenues and earnings, JRE will endeavor to secure fixed- and long-term leasing agreements with its large-scale tenants.

(iv) Reduce management costs

JRE has introduced sound competitive principles for its multiple property management companies to follow and is revamping their management systems and cost structures on an ongoing basis.

**b. Property Acquisitions and Sales**

JRE has adopted the following policies for acquiring properties.

- (i) To access information quickly, JRE continues to enhance its property information channels while working to develop new channels.
- (ii) In its acquisition activities, JRE continues to meticulously monitor and examine economic, physical and legal factors, including rights-related issues, when selecting properties. In particular, with regard to the structure of buildings, JRE requires buildings to meet or exceed new earthquake-resistance standards, making appropriate renovations based on engineering reports, and exclusively targets properties capable of maintaining a competitive edge in terms of the facilities they offer over the medium to long term.
- (iii) In accordance with its acquisition policies, JRE shall maintain its portfolio so that 70% or more of the portfolio properties are located within the Tokyo metropolitan area, with the remaining 30% or fewer located in other major cities.

Under these policies, JRE will continue to acquire highly competitive properties. At the same time, in order to further enhance the quality of its portfolio, JRE will remain open to the replacement of portfolio properties with due consideration given to timing.

**c. Financial Strategy**

In principle, JRE shall maintain an LTV ratio that does not exceed 65%. To ensure an even lower interest-bearing debt ratio, JRE adopts the conservative target level of 30% to 40%. As for the financing of property acquisitions, JRE shall use, in a flexible manner, a variety of funding schemes—including the issue of investment corporation bonds—while maintaining a sound and conservative financial standing and closely monitoring trends in financial markets. When obtaining a loan, JRE shall strictly adhere to its financial policies. More specifically, with the aim of minimizing funding costs, JRE shall negotiate with several qualified institutional investors (limited to those defined under the Special Taxation Measures Law of Japan) before executing a loan agreement.

**(2) Performance Forecasts**

For the 25th fiscal period (October 1, 2013 to March 31, 2014), JRE forecasts operating revenues totaling 25,980 million yen, operating income totaling 10,770 million yen, ordinary income totaling 9,020 million yen, and net income totaling 9,000 million yen. JRE plans to declare a cash dividend totaling 7,580 yen per unit.

For the 26th fiscal period (April 1, 2014 to September 30, 2014), JRE forecasts operating revenues totaling 26,060 million yen, operating income totaling 10,700 million yen, ordinary income totaling 9,020 million yen, and net income totaling 9,000 million yen. JRE plans to declare a cash dividend totaling 7,580 yen per unit.

Regarding the assumptions set for these forecasts, please see the below table entitled "Assumptions Underlying Performance Forecasts for the 25th Fiscal Period (October 1, 2013 to March 31, 2014) and the 26th Fiscal Period (April 1, 2014 to September 30, 2014)." Operating revenues, operating income, ordinary income, net income, and cash dividend per unit may vary depending on changes in the situation.

**(3) 2-for-1 Split of Investment Units**

JRE's Board of Directors met on November 18, 2013 and decided to implement a 2-for-1 split of each JRE investment unit with a record date of December 31, 2013 and an effective date of January 1, 2014.

(i) Purpose of the split:

Through this split of investment units, JRE hopes to broaden its investor base by providing a wide range of private investors the opportunity to invest from their NISA accounts, as well as to increase long-term holdings.

(ii) Method of Split

With December 31, 2013 as the record date, JRE will implement a 2-for-1 split of the investment units held by unitholders stated or recorded on that date's final unitholders registry.

(iii) Increase in Number of Investment Units through the Split, etc.

Number of JRE investment units outstanding before the split:	594,140 units
Increase in number of investment units through the split:	594,140 units
Number of JRE investment units outstanding after the split:	1,188,280 units
Total number of investment units issuable after the split:	4,000,000 units

(iv) Schedule of Split

Record date:	December 31, 2013
Effective date:	January 1, 2014

**Assumptions Underlying Performance Forecasts for the 25th Fiscal Period (October 1, 2013 to March 31, 2014) and the 26th Fiscal Period (April 1, 2014 to September 30, 2014)**

Item	Assumptions
Accounting period	<p>The 25th period: October 1, 2013 to March 31, 2014 (182 days)            The 26th period: April 1, 2014 to September 30, 2014 (183 days)</p>
Number of properties held by JRE	<ul style="list-style-type: none"> <li>• JRE assumes that its property portfolio will consist of the 62 properties that it held as of October 1, 2013. The actual portfolio may differ from this assumption due to additional property acquisitions and dispositions.</li> <li>• JRE does not have any forward or other commitments, as of November 18, 2013, as set forth in the Financial Services Agency’s Guidelines for Supervision.</li> </ul>
Number of units outstanding	<ul style="list-style-type: none"> <li>• JRE assumes that the number of units outstanding on December 31, 2013 will be the same number as of November 18, 2013: 594,140.</li> <li>• JRE sets the effective date as January 1, 2014 and will implement a 2-for-1 split of the investment units. Accordingly, JRE presumes the number of investment units outstanding as of January 1, 2014 to be 1,188,280.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>• JRE assumes as an operational guideline, an LTV ratio in the 30% to 40% range.</li> <li>• In the 25th fiscal period, JRE presumes that, as of November 18, 2013, it will refinance the remainder of long-term loans totaling 13,000 million yen (repayment date: March 24, 2014) and short-term loans totaling 13,000 million yen* (repayment dates: January 7, 2014 and January 15, 2014). There are no investment corporation bonds set to mature in the 25th fiscal period.            *The 1,000 million yen that was due for repayment on October 7, 2013 has already been refinanced.</li> <li>• In the 26th fiscal period, JRE presumes that, as of November 18, 2013, it will refinance the remainder of short-term loans totaling 11,000 million yen (repayment dates: April 30, 2014, July 31, 2014 and September 2, 2014). JRE presumes that the funds procured from such sources as loans and newly issued investment corporation bonds will be used to repay the investment corporation bonds totaling 15,000 million yen set to mature on June 18, 2014.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>• Revenues from portfolio properties held by JRE are calculated by taking into consideration new contract conclusions and existing contract cancellations fixed as of November 18, 2013, and by factoring in potential variables, such as a risk of decrease in revenues due to returned space and reduced rent levels, taking into account recent market conditions for leased office space.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• Of the taxes JRE is subject to, property taxes, city planning taxes and depreciable property taxes corresponding to the relevant fiscal period have been recorded as property-related expenses. However, when a property is acquired at a point during the period used for the calculation of property tax, a property tax adjustment is levied that takes into account the date of the transfer of the new acquisition. The amount of the adjustment is factored into the acquisition price and therefore not recorded as an</li> </ul>

	<p>expense in the relevant fiscal period. In addition, JRE assumes that the 2013 property taxes, city planning taxes and depreciable property taxes for Harumi Front, Higashi Nibancho Square, Nagoya Hirokoji Place, and Shijo Karasuma Center Building will be 142 million yen, 82 million yen, 68 million yen, and 23 million yen respectively.</p> <ul style="list-style-type: none"> <li>• JRE assumes that property and other taxes will be 2,340 million yen in the 25th fiscal period and 2,500 million yen in the 26th fiscal period.</li> <li>• JRE assumes that depreciation will be 5,480 million yen in the 25th fiscal period and 5,440 million yen in the 26th fiscal period.</li> <li>• Property management expenses are assumed to take past operational results into consideration.</li> <li>• Repair expenses may vastly differ from the projected amounts as there may be large differences in costs incurred from one fiscal period to another and because such costs are not recurring.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• JRE assumes that non-operating expenses, such as interest expense and interest expense on investment corporation bonds, will be 1,750 million yen in the 25th fiscal period and 1,700 million yen in the 26th fiscal period.</li> </ul>
Amount of dividend	<ul style="list-style-type: none"> <li>• JRE presumes that dividends in excess of accounting profits will not be distributed. Reflecting this, under JRE's Articles of Incorporation, JRE assumes that it will make cash distributions using accounting profits, distributing said profit in an amount in excess of 90% of earnings available for dividends.</li> <li>• JRE assumes that dividend amounts in the 25th and 26th fiscal periods will not be appropriated from internal reserves.*</li> </ul> <p>*Internal reserves (projected for the 25th fiscal period) shall comprise the residual amount of 390 million yen, reflecting a dividend payout of 519 million yen for the 22nd and 23rd fiscal periods subtracted from the balance of internal reserves at the end of the 21st fiscal period (as of March 31, 2012), which totaled 909 million yen, comprising retained earnings brought forward of 30 million yen and the amount apportioned to internal reserves from the gain on sale of land as a result of the sale of the Takanawadai Building as of April 1, 2011, under the application of the Special Provisions for Taxation in the case of Advanced Acquisition of Land, etc., in 2009 and 2010 (total of 878 million yen which consists of reserve for reduction entry and associated income taxes deferred).</p>
Other	<ul style="list-style-type: none"> <li>• JRE presumes that revisions that could impact the abovementioned forecasts will not be made in such areas as laws, tax systems, accounting standards, and listing rules as well as regulations of the Investment Trusts Association, Japan.</li> <li>• JRE assumes that there will be no unprecedented significant changes in general market trends or real estate market conditions or other factors.</li> <li>• In addition to the abovementioned income taxes deferred, JRE calculates the amount of its corporate and other taxes, taking into consideration asset retirement obligations as well as the amortization of term leasehold interest for buildings.</li> </ul>

# Income Statement for the 24th Period

(In millions of yen; Dividend per unit in yen)

Term	23rd Period	→ change →		24th Period	← change ←		24th Period
	(Mar 31, 2013)	(amount)	(%)	(Sep 30, 2013)	(amount)	(%)	(Sep 30, 2013)
	Actual/Forecast	Actual		Actual			Initial Forecast (*1)
<b>Operating Revenues</b>		25,357	868 3.4%	26,225	245 0.9%		25,980
Property-related Revenues		25,357	849 3.4%	26,206	226 0.9%		25,980
Rental Revenues		25,070		26,116			
Non-rental Revenues		287		90			
Gain on Sale of Properties		-	18	18	18		-
<b>Operating Expenses</b>		14,725	718 4.9%	15,444	244 1.6%		15,200
Property-related Expenses (*2)		8,588	412 4.8%	9,001	181 2.1%		8,820
Property Management Expenses		3,067	13 0.4%	3,080			
Property Management Costs		2,961		3,003			
Brokerage Fees, etc.		105		77			
Utilities Expenses		2,079	353 17.0%	2,433			
Property and Other Taxes		2,302	54 2.4%	2,356			
Casualty Insurance		55	1 3.0%	57			
Repairing Expenses		886	-20 -2.3%	866			
Other Expenses		197	9 5.0%	207			
NOI (*3)		16,768	436 2.6%	17,205	55 0.3%		17,150
Depreciation		5,208	299 5.8%	5,507	57 1.1%		5,450
Property-related Profits and Losses (*3)		11,560	137 1.2%	11,697	-2 0.0%		11,700
Gross Operating Income		11,560	155 1.3%	11,716	16 0.1%		11,700
Administrative Expenses		928	5 0.6%	934	14 1.6%		920
Asset Management Fees		592	29 5.0%	621	21 3.6%		600
Other Administrative Expenses		336		313			
<b>Operating Income</b>		10,631	149 1.4%	10,781	11 0.1%		10,770
Non-operating Revenues		14		135			
Interest Income		9		5			
Other Non-operating Revenues		5		129			
Non-operating Expenses		1,897		1,774			
Interest Expense		1,419	-82 -5.8%	1,337			
Interest Expense on Investment Corporation Bonds		386	6 1.6%	392	0 0.0%		1,730
Amortization of Investment Corporation Bond Issuance Costs		16		17			
Other Non-operating Expenses		74		27			
<b>Ordinary Income</b>		8,749	393 4.5%	9,143	123 1.4%		9,020
Income before Income Taxes		8,749		9,143			
Income Taxes		-75		13			
<b>Net Income</b>		8,824	305 3.5%	9,129	129 1.4%		9,000
Retained Earnings at Period-end		8,855		9,160			

FFO (*4)	14,032	586 4.2%	14,619		
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Dividend per Unit	15,140	226 1.5%	15,366	206 1.4%	15,160
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\*1 The initial forecast means the 24th Period performance forecast announced on May 16, 2013.

\*2 Excluding Depreciation

\*3 Excluding Gain on sale of properties

\*4 Net income + Depreciation - Gain on sale of properties



## Balance Sheet for the 24th Period

(In millions of yen)

Item	23rd Period (Mar 31, 2013)	24th Period (Sep 30, 2013)	Change	Reason for change
<b>Assets</b>				
<b>I Current Assets</b>				
Cash and Bank Deposits	23,276	24,598	1,321	Increase due to rent revenues, etc.
Other Current Assets	725	439	△285	Decrease due to deposit of consumption taxes refund, etc.
<b>Total Current Assets</b>	<b>24,002</b>	<b>25,038</b>	<b>1,035</b>	
<b>II Fixed Assets</b>				
<b>Property and Equipment</b>				
Buildings (including those held in trust)	288,062	293,621	5,558	} Increase due to capital expenditure and the acquisition of properties Decrease due to the transfer of property
Structures (including those held in trust)	3,229	3,324	95	
Machinery and Equipment (including that held in trust)	3,793	4,007	214	
Land (including that held in trust)	503,044	510,355	7,310	
Accumulated Depreciation	△65,638	△70,445	△4,807	
<b>Total Property and Equipment</b>	<b>732,492</b>	<b>740,863</b>	<b>8,371</b>	
<b>Intangible Assets</b>				
Leasehold rights, etc. (including those held in trust)	7,409	7,393	△15	
<b>Total Intangible Assets</b>	<b>7,409</b>	<b>7,393</b>	<b>△15</b>	
<b>Investments and Other Assets</b>				
Investment Securities	577	577	-	
Long-term Prepaid Expenses, etc.	1,086	1,095	8	
<b>Total Investments and Other Assets</b>	<b>1,663</b>	<b>1,672</b>	<b>8</b>	
<b>Total Fixed Assets</b>	<b>741,564</b>	<b>749,929</b>	<b>8,364</b>	
<b>III Deferred Assets</b>				
Deferred Investment Corporation Bond Issuance Costs	61	99	37	
<b>Total Deferred Assets</b>	<b>61</b>	<b>99</b>	<b>37</b>	
<b>Total Assets</b>	<b>765,628</b>	<b>775,066</b>	<b>9,438</b>	

(In millions of yen)

Item	23rd Period (Mar 31, 2013)	24th Period (Sep 30, 2013)	Change	Reason for change
<b>Liabilities</b>				
<b>I Current Liabilities</b>				Decrease due to prepayment Increase due to the new loans for property acquisition and refinancing from long-term loans
Short-term Loans	18,000	25,000	7,000	
Current Portion of Long-term Loans	34,100	13,100	Δ21,000	Decrease due to redemption at maturity and refinancing to long-term and short-term loans, etc.
Current Portion of Investment Corporation Bonds	-	15,000	15,000	Increase due to decrease of remaining periods of loans
Rent Received in Advance	3,245	2,840	Δ405	
Other Current Liabilities	2,514	3,561	1,046	Increase due to accrued construction costs and accrued consumption taxes, etc.
<b>Total Current Liabilities</b>	<b>57,860</b>	<b>59,501</b>	<b>1,641</b>	
<b>II Long-term Liabilities</b>				Increase due to issuance of the ninth Investment Corporation Bonds Decrease due to the transfer to the current portion of Investment Corporation Bonds (sixth)
Investment Corporation Bonds	45,000	40,000	Δ5,000	
Long-term Loans	214,100	227,050	12,950	Increase due to the refinancing from current portion of long-term loans, etc.
Deposits Received from Tenants	42,958	42,634	Δ324	Increase due to the property acquisition Decrease due to the property transfer, etc.
Other Long-term Liabilities	429	465	36	
<b>Total Long-term Liabilities</b>	<b>302,487</b>	<b>310,149</b>	<b>7,661</b>	
<b>Total Liabilities</b>	<b>360,347</b>	<b>369,651</b>	<b>9,303</b>	
<b>Net Assets</b>				
Unitholders' Capital	396,018	396,018	-	
Reserve for Reduction Entry	407	236	Δ170	Decrease of the reversal of reserve for reduction entry associated with the dividend payout for 23rd Period
Retained Earnings	8,855	9,160	305	
<b>Total Net Assets</b>	<b>405,280</b>	<b>405,415</b>	<b>134</b>	
<b>Total Liabilities and Net Assets</b>	<b>765,628</b>	<b>775,066</b>	<b>9,438</b>	

# Appraisal Values of Properties

(In millions of yen)

Area	Name	24th Period Appraisal Value (Sep 30, 13)	23rd Period Appraisal Value (Mar 31, 13)	Amount of Difference	24th Period Book Value (Sep 30, 13)	24th Period Appraisal Value – Book Value	Acquisition Price		
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	6,390	6,330	60	4,909	1,480	5,000	
		Kitanomaru Square	72,300	70,600	1,700	75,616	-3,316	81,555	
		MD Kanda	7,350	7,540	-190	8,686	-1,336	9,520	
		Kandabashi Park	4,120	4,140	-20	4,567	-447	4,810	
		Nibancho Garden	16,900	16,500	400	13,180	3,719	14,700	
		Mitsubishi UFJ Trust	44,900	45,000	-100	29,492	15,407	44,700	
		Burex Kojimachi	6,060	5,920	140	6,087	-27	7,000	
		Sanno Grand	29,000	29,200	-200	21,223	7,776	20,900	
		Yurakucho Denki	7,120	7,150	-30	7,812	-692	7,200	
	Chuo	Kodenmachi	2,910	2,950	-40	2,849	60	3,173	
		Kyodo (Kayabacho 2Chome)	5,020	4,900	120	4,338	681	4,410	
		Burex Kyobashi	6,250	6,100	150	4,677	1,572	5,250	
		Ginza Sanwa	15,100	15,100	0	17,138	-2,038	16,830	
		Ryoshin Ginza EM	5,280	5,190	90	7,600	-2,320	7,999	
		Harumi Front	35,200	32,900	2,300	31,179	4,020	31,300	
		Harumi Center	20,100	19,800	300	24,095	-3,995	26,800	
		Akasaka Park	62,900	62,500	400	61,200	1,699	60,800	
	Minato	Aoyama Crystal	6,960	7,210	-250	7,253	-293	7,680	
		Shiodome	76,800	77,200	-400	74,017	2,782	75,850	
		Shiba 2Chome Daimon	5,940	5,820	120	5,033	906	4,859	
		Cosmo Kanasugibashi	2,690	2,770	-80	2,607	82	2,808	
		Tokyo Opera City	29,600	29,700	-100	29,763	-163	31,776	
	Shinjuku	Shinwa	5,680	5,780	-100	7,543	-1,863	7,830	
		Tokyo Opera City	29,600	29,700	-100	29,763	-163	31,776	
	Taito	TIX UENO	23,300	23,300	0	21,662	1,637	22,000	
	Shinagawa	Higashi-Gotanda 1Chome	5,470	5,670	-200	4,778	691	5,500	
		Osaki Front Tower	15,500	15,220	280	11,390	4,109	12,300	
	Ota	Omori-Eki Higashiguchi	5,150	5,140	10	4,521	628	5,123	
	Shibuya	Yoyogi 1Chome	10,000	9,850	150	7,474	2,525	8,700	
		da Vinci Harajuku	6,180	6,230	-50	4,928	1,251	4,885	
		Jingumae MS	10,200	9,970	230	10,813	-613	12,200	
		Shibuya Cross Tower	42,100	42,100	0	38,499	3,600	34,600	
		Ebisu Neonato	3,110	2,910	200	3,491	-381	4,100	
	Nakano	Harmony Tower	10,600	10,300	300	8,195	2,404	9,020	
		Otsuka Higashi-Ikebukuro	3,820	3,820	0	3,524	295	3,541	
	Toshima	Ikebukuro 2Chome	1,640	1,660	-20	1,599	40	1,728	
		Ikebukuro YS	4,250	4,190	60	4,338	-88	4,500	
		Hachioji First	4,430	4,380	50	5,081	-651	5,679	
	Other Areas	Saitama	Saitama Urawa	2,070	2,040	30	2,492	-422	2,574
		Yokohama	MM Park	35,000	34,900	100	34,346	653	37,400
			Kawasaki Isago	2,330	2,470	-140	2,850	-520	3,375
		Kawasaki	Musashi Kosugi STM	3,770	3,630	140	3,849	-79	4,000
			8-3 Square Kita	6,790	6,730	60	6,473	316	7,100
		Sendai	Jozenji Park	887	890	-3	977	-90	1,000
			Higashi Nibancho	11,700	11,520	180	10,024	1,675	9,950
			Sendai Honma	2,350	2,480	-130	2,739	-389	3,174
		Kanazawa	Kanazawa Park	4,350	4,280	70	4,112	237	4,580
Nishiki Park			3,690	3,580	110	4,518	-828	5,150	
Nagoya		Hirokoji Sakae	1,510	1,440	70	1,703	-193	1,680	
		Nagoya Hirokoji	11,700	12,600	-900	15,368	-3,668	14,533	
		Nagoya Misono	1,110	1,110	0	1,405	-295	1,865	
		Kyoto Kawaramachi	1,740	1,790	-50	2,600	-860	2,650	
Osaka		Shin-Fujita	16,400	16,400	0	22,477	-6,077	24,000	
		Sakaisujihonmachi	3,370	3,630	-260	3,764	-394	4,164	
		Midosuji Daiwa	13,200	13,700	-500	13,267	-67	14,314	
Okayama		Lit City	4,230	4,220	10	3,667	562	4,650	
Hiroshima		NHK Hiroshima	2,460	2,450	10	2,494	-34	2,770	
Fukuoka		Tosei Tenjin	1,290	1,260	30	1,416	-126	1,550	
		Tenjin Crystal	2,470	2,470	0	4,375	-1,905	5,000	
		Hinode Tenjin	3,580	3,540	40	3,451	128	3,657	
Properties held as of the end of the 23rd and 24th Periods during which the shares of ownership remain unchanged		Tokyo 23 Wards	615,890	610,660	5,230	576,096	39,793	610,948	
		Other Areas	140,427	141,510	-1,083	153,459	-13,032	164,815	
		Total (59 properties)	756,317	752,170	4,147	729,555	26,761	775,763	

## Property transferred during the 24th Period

Tokyo 23 Wards	Shibuya	Nippon Brunswick (Land with leasehold interest) (Note1)	5,240	—	—	5,572	-332	5,500
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## Properties acquired during the 24th Period

Other Areas	Nagoya	Hirokoji Place	9,050	—	—	8,688	361	8,567
	Kyoto	Shijo Karasuma	4,540	—	—	4,441	98	4,400

## All properties held as of the 24th Period

Tokyo 23 Wards	621,130	—	—	581,668	39,461	616,448
Other Areas	154,017	—	—	166,588	-12,571	177,782
Total (62 properties)	775,147	—	—	748,257	26,889	794,230

\*The properties for which additional shares were acquired/transferred during the 24th Period among properties held at the end of the 23rd Period are included in "Property acquired/transferred during the 24th Period.(The appraisal value at the end of the 23rd Period has been left out of the above.)"

(Note1) The figures for Nippon Brunswick (Building) are listed under "Property transferred during the 24th Period," as the building was transferred as of August 23, 2013. The figures for Appraisal Value and Book Value for the 24th Period concerning Nippon Brunswick indicate the land with leasehold interest value.